

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1989 – SB 2285

February 11, 2014

SUMMARY OF ORIGINAL BILL: Deletes Tenn. Code Ann. § 49-13-122 and substitutes new language that requires revocation or denial of a renewal of a public charter school agreement because the charter school has been identified as a priority school to occur at the end of the academic year, beginning in 2015. Requires a public charter school identified as a priority school to be entitled to a hearing before the Commissioner of Education to verify the accuracy of data used to identify the school as a priority school. Sets forth additional reasons a public charter school may have its agreement revoked or a renewal denied, and specifies the appeals process in such cases. Requires a chartering authority to have a process in place for the transition of students, records, and other items from the closing public charter school to the regular local education agency. Sets forth the transition process that includes meetings by the chartering authority and the transition team; the transfer of students; personnel records; submission of financial statements; and the disposition of school funds. Requires proper notification to all parties of the transition process and school closure. Authorizes the governing body of the public charter school to meet as necessary to wind down school operations and other functions.

FISCAL IMPACT OF ORIGINAL BILL:

Other Fiscal Impact – In the event of a public charter school closure, state and local BEP funding will shift to the local education agency in which the public charter school is located. The extent of any shift of BEP funding is dependent upon multiple unknown factors, but is reasonably estimated to exceed \$100,000.

SUMMARY OF AMENDMENT (012442): Deletes all language of the original bill. Deletes Tenn. Code Ann. § 49-13-122 and substitutes new language that requires revocation or denial of a renewal of a public charter school agreement because the charter school has been identified as a priority school. Beginning in 2015, such closures shall occur at the close of the academic year after the school was identified as a priority school. Authorizes a public charter school identified as a priority school to have a review performed by the Department of Education to verify the accuracy of data used to identify the school as a priority school. Prohibits public charter schools that are within the Achievement School District or are schools that have been converted to a charter school from a regular public school from being closed because of identification as a priority school, unless they have been identified as such for two consecutive cycles, beginning in 2015. Sets forth additional reasons a public charter school may have its agreement revoked or a renewal denied, and specifies the appeals process in such cases. Requires

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a chartering authority to have a process in place for the transition of students, records, and other items from the closing public charter school to the regular local education agency. Sets forth the transition process that includes meetings by the chartering authority and the transition team; the transfer of students; personnel records; submission of financial statements; and the disposition of school funds. Requires proper notification to all parties of the transition process and school closure, including communicating within 30 days to families where students in the closing charter school are eligible to enroll. Authorizes the governing body of the public charter school to meet as necessary to wind down school operations and other functions.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Any increase in state expenditures for additional hearings is estimated to be not significant.
- Any increase in local government expenditures for a transition process to take place is estimated to be not significant.
- State and local BEP funding will shift from a closing public charter school to the regular LEA. Any shift is dependent upon multiple unknown factors such as the LEA in which the closure takes place, the amount of BEP funding that has transferred to a public charter school within a given fiscal year, and the number of students and personnel at the school. Given the extent of unknown factors, the precise amount of shifting funds is unknown, but is reasonably estimated to exceed \$100,000.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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